



CITY COUNCIL AGENDA STATEMENT



November 13, 2018

File ID: 18-0506

TITLE

FISCAL YEAR 2017/18 ANNUAL FINANCIAL STATUS REPORT

RECOMMENDED ACTION

Council receive the report.

SUMMARY

This report is provided to meet the City Charter requirement of publishing the City's Combined Statement of Revenues, Expenditures and Changes in Fund Equity (Schedule D) in the local newspaper within 120 days of the close of the fiscal year. The statement was published in the October 26th issue of The Star News, which is the City's adjudicated newspaper of general circulation.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because the activity consists of a governmental fiscal/administrative activity which does not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable

DISCUSSION

The Annual Financial Status Report is provided to meet the City Charter Section 504 (f) requirement of publishing the City's Combined Statement of Revenues, Expenditures and Changes in Fund Equity (Schedule D) in the local newspaper within 120 days of the close of the fiscal year. The statement was published in the October 26th issue of The Star News, which is the City's adjudicated newspaper of general circulation. City Council was initially notified of the publication via memorandum on October 25, 2018, which is attached as Attachment 6.

Staff will provide Council with a complete report of fiscal year 2017/18 financial data upon presentation of the City's audited Comprehensive Annual Financial Report.

For the General Funds, actual Expenditures and Transfers-Out for the year amounted to \$202.0 million, supported by Actual Revenues and Transfers-In of \$267.7 million. The actual revenue and expenditures are subject to audit adjustments. The audited figures and the actual change in General Fund reserves will be presented when the audit is completed. Schedules A and B are summary statements of actual revenues and expenditures for fiscal year 2017/18. Please note that the row titled "Total Other General Funds" includes the Measure P Fund, Fire Equipment Lease Fund, the Legislative Council Fund, and the Public Liability Fund, which are combined with the General Fund for financial reporting purposes. Schedule C provides a complete listing of all budget amendments approved for the 2017/18 fiscal year.

Schedule D is an unaudited Summary Report of Revenue, Expenditures, and Changes in Fund Equity (excluding Trust Funds and the Public Financing Authority) for the fiscal year ended June 30, 2018. Consistent with the reference in the preceding paragraph, the column titled "General Funds" includes not only the General Fund, but the Measure P Fund, the Fire Equipment Lease Fund, the Legislative Council Fund, and the Public Liability Fund, which are combined with the General Fund for financial reporting purposes. A full analysis of the City's various funds will be provided in the Management's Discussion and Analysis section of the Comprehensive Annual Financial Report. As required by Charter Section 504 (f), this statement was published in the local newspaper as discussed above.

The detailed data supporting this information is quite voluminous but is available at your request. The published Comprehensive Annual Financial Report (CAFR) including the opinion of the independent auditors should also be available within the next 60 days and will be provided to City Council.

Schedule E provides a complete listing of all budget adjustments between summary accounts approved by the City Manager in accordance with Council Policy 220-02 "Financial Reporting and Transfer Authority" during fiscal year 2017/18.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware and has not been informed by any City Council Member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The filing of the Annual Financial Status Report and Publishing of the Financial Statement in The Star News supports the goal of operational excellence by meeting the requirements of the City Charter.

CURRENT-YEAR FISCAL IMPACT

There is no fiscal impact resulting from accepting the Annual Financial Status Report.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact resulting from accepting the Annual Financial Status Report.

ATTACHMENTS

1. Schedule A - General Fund Revenues by Department
2. Schedule B - General Fund Expenditures by Department
3. Schedule C - General Fund Budget Amendments
4. Schedule D - Combined Statement of Revenues, Expenditures and Changes in Fund Equity
5. Schedule E - General Fund Budget Transfers
6. 10/25/2018 Memo to City Council

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